Secrtt. II-37—100,000—31-8-48.

Development (1948) Department.

MS SERIES.

G.O. No. 1288

Dated 15. 3 48

[Despatch Abstract.]

TEXTILES : YARN : DECONTROL : ALLOCATION TO DISTRICTS : REVISED ARRANGEMENTS : PROVINCIAL TEXTILE COMMISSIONER'S PROPOSALS/ORDERS PASSED.

GOVERNMENT OF MADRAS
Abstract
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TEXTILES - Yarn - Decontrol - Allocation to Districts - Revised arrangements - Provincial Textile Commissioner's Proposal - Orders passed.

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Development Department

G.O. (Ms) No. 1288. Dated, the 15th March 1948

READ - the following:-

G.O. (Ms) No. 1126 Dev. dated the 6th March 1948
From the Provincial Textile Commissioner, C. No. 16838/48-DY.3 dated the 10th March 1948.

ORDER:

The proposals in the Note submitted by the Provincial Textile Commissioner to ensure that every district gets its share of available supplies yard after statutory de-controll over the internal distribution of yarn are approved subject to the following orders -

(1) the mills may be requested to continue supplies to the districts with which they have been connected till now and not to supply haphazard to any place of their choice. They should also be advised that unless there is a more satisfactory arrangement the consignees appointed by the Provincial Textile Commissioner may be utilised.

(2) the mills which are not members of the Southern India Mill Owners' Association and the Alagappa Textiles, Cochin, may be allowed to dispose of their surplus yarn as they like, subject to the condition that they deliver yarn to this province upto the allocations made. The Provincial Textile Commissioner may instruct the non-member mills direct instead of asking the Southern India Mill Owners' Association to do so.

(3) In respect of yarn received from outside the Province the dealers appointed by the Provincial Textile Commissioner may continue unless the Mills insist on a change; these dealers may despatch to consignees in districts in thesame way as before or to their own nominees.

(4) the Provincial Textile Commissioner may instruct the mills to continue, in the interests of smooth working, to supply yarn direct to the power loom factories which were till now getting yarn in cones direct from mills. This arrangement may be necessary only until such time as the"A" class quota holders go.

(5) The Provincial Textile Commissioner's attention is invited to the letter No. 29083-MUU/48-1 dated the 12th March 1948 from the Government to the Southern India Mills Owners' Association, Madura and B.C. Mills (copy enclosed) and he is requested to address, as proposed in paragrahs 3 and 4 of his note, the mills not covered by the Government communication.

2. The Provincial Textile Commissioner is requested to issue necessary instructions to the Cannanore Spinning and Weaving Mills Ltd., for the disposal of their yarn. He is also requested to keep a strict watch over distribution and see that there are no complaints.

(By order of His Excellency the Governor)

S.V. NARASIMHAN
Deputy Secretary to Government.

To the Provincial Textile Commissioner (with enclosure)
To all Collectors (with a copy of the Provincial Textile Commissioner's note.

/True copy/

Office Assistant, Madras Record Office, Egmore.

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DE-CONTROL OF YARN - DESPATCHES OF YARN TO DISTRICTS - INSTRUCTIONS.

The Government have decided to lift immediately the control over interal distribution of yarn and to abolish the system of licensing of dealers in this Province. The Madras Yarn Dealers (Control) Order is being repealed with effect from 16th March 1948. After that date, there will be no control over the movement of yarn within the Province and B and C class yarn dealers will also automatically go. But in view of clause 32 of the Cotton Textiles (Control) Order, 1948, (corresponding to clause 18-A of the Cotton Cloth and Yarn (Control) Order, 1945) mills can make deliveries of yarn due to this Province, only to their quota holders. As the quota-holders are concentrated in a few centres like Madras, Tinnevelly, Salem and Madura and Coimbatore, the abolition of the District Quota Scheme will result in the yarn being sent only to these centres.

2. Even though there will be no restriction in movements of yarn from one district to another, it is desirable to ensure that each district receives its share of the available supplies of yarn, to avoid local shortages. In the Conference held on 25-2-1948 in the Hon'ble Minister for Industries' room, the representatives of mill-owners agreed to make the necessary arrangements in this direction by asking their quotaholders to open branches wherever necessary. To ensure that each district receives its quota, action will be taken on the following lines so long as the All India Yarn Distribution Scheme is in force.

(i) Member mills within the Province: To give effect to the All India Yarn Distribution Scheme, mills in this Province have been given two basic allocations - one in respect of deliveries within the Province and the other for deliveries to each specified area outside the Province. If the total production in a mills is not sufficient to meet the internal and external obligations fully, the deliveries within the Province and exports to other Provinces are cut in the same proportion. If, however, there is a surplus after meeting both the internal and external obligations, the surplus is distributed within the Province. With reference to the present yarn production by each mill and the quantities to be delivered to this Province having regard to the basic allocation, a permanent allotment has been given to each of the mills for the supply of specified quantities to specified districts. If, in a particular month, the quantity to be delivered to Madras Province exceeds the quantity covered by the permanent allocation, the mills concerned should report the fact to the Southern India Millowners' Association, Coimbatore, which will issue distribution instructions for the disposal of the surplus. If with reference to the total production, a mill cannot supply the quota to each district in full according to the permanent allocation, the quantity to be supplied to each district will have to be cut in the same proportion. If mills feel any difficulty in sticking on to the permanent allocation, they may refer the matter to the Association and act according to the advice given by it.

ii) Non-Member Mills: The following are the mills in this Province which are not members of the Association:-

1. Mahalakshmi Mills Ltd., Madura 2. Theagesar Mills Ltd., Pudikottah
3. Suryanrayana Mills, Pandalapakka, East Godavari District.
4. Satyanaraana Mills, Rajahmundry.
5. Sri Ramachandra Mills, Pandalapakka, East Godavari District.

Of the above (1) and (2) only, have got export obligation under the All India Yarn Distribution Scheme, while the entire production of the remaining mills is delivered within the Province. A permanent allocation has been given to these mills also and the distribu ion will be made in exactly the same menner as the member mills. These mills also will be asked to dispose the surplus according to the instructions of the Association.

iii) Ayalappa Textiles, Cochin: The distribution of the yarn produced by this mills is regulated by the Provincial Textile Commissioner like other mills in the Madras Province. This will also has been given two basic allocations for delivery to Madras, Cochin and to other Provinces. In respect of deliveries to Madras, a permanent allotment has been made. The surplus, if any, will

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(iv) Yarn received from mills in Mysore and Bombay: About 1,100 bales are being received every month from mills in Mysore and Bombay in low counts. Out of this quantity, about 400 bales are delivered by these mills to quota holders in this Province while the balance is delivered to certain dealers who have been nominated by the Provincial Textile Commissioner as his clearing agents to pay for an arrange for their transport to this Province. This quantity also has been permanently allocated among the districts. At present the quotaholders and the Provincial Textile Commissioner's agents despatch the yarn to consignees nominated either by the Provincial Textile Commissioner or by the Collectors. In future these persons will be allowed to despatch the yarn to any person in the district to which they have to send the yarn according to the permanent allocation.

(v) The Madura Knitting Co: The Madura Knitting Co. is a quotaholder of the Madura Mills Co Ltd., and has a doubling section. Out of the quota bales received, it has been permitted to double not exceeding 100 bales of yarn per mensem. The distribution of this 100 bales is now controlled in the same way as the yarn produced by a textile mill. This quantity is not permanently allotted and is kept as reserve to meet local shortages. In future, this yarn also will be allocated to districts and the Madura Knitting Co. will be free to sell it to any one in the district concerned.

(vi) The Madura Mills Co Ltd: This mill has already got an efficient system of distribution of yarn. It will distribute the yarn to their quotaholders within the Province who are functioning in most of the weaving centres. A permanent allocation has been given to this also.

(viii) B.&.C.Mills: This is a composite spinning and weaving mill. Recently, however, it has been delivering fairly large quantities of yarn for our handlooms through the following three quotaholders:

1. Gokuldoss Jamnadoss & Co., Madras.
2. M.P.V. Sundararamier & Co. Madras.
3. Jivaraj Tewun & Sons. Madras.

A permanent allocation has been given for the yarn delivered by this mills also.

3. There is no provision in the Cotton Textile (Control) Order, 1948, for fixing the ex-factory, wholesale and retail prices. While mills have agreed not to charge more than the rate fixed by the industry, there is no control over the dealers' margins of profit. The quotaholders and other persons who purchase yarn from the Mills are free to sell it at any rate they like as there is no statutory provisions for fixing the margins. The mills are, however, requested to ensure that their quotaholders and others to whom yarn is sold, charge reasonable rates.

4. From 16th March 1948 the consignees appointed by the Department will all go. Mills which have to supply yarn under the permanent allocation to a district where there are no quotaholders, will be free to supply it to any person of their choice and adjust such deliveries against quotas due to quotaholders. The mill will make its own arrangements to collect the cost of the yarn. The Department will not interfere in the matter. Similarly, the quotaholders of the B.&.C. Mills will be free to sell the yarn to any one in the district concerned to which the yarn has to be sent.

5. From August 1944, licences in yarn were not permitted to do master weavers' business. In the pre-control period, many yarn dealers were also master weavers and they utilised a part of the yarn purchased by them from mills for the production of handloom cloth and sold the balance. On anf after 16th March 1948, quotaholders will be free to utilise a part or the whole of their yarn quota for their master weaver's business.

6. Powerlook factories with 25 powerlooms and more and one

powerloom factory in Trichy with 24 powerlooms, namely, Thirumoerthy Textiles Ltd., Srirangam, which are not consumer quotaholders, are now supplied yarn directly from mills at ex-mill rate plus quota-holders margin. From April 1948, such direct supplies will cease and these powerloom factories should make their own arrangements to get their yarn requirements. The mills concerned will be requested to arrange to supply these quantities to the district concerned.

Copy of letter from the Secretary to Government of Madras, Development Department, No. 29083-MII/48.1 dated the 12th March 1948 to (1) Sir James Doak, Madura Mills, Madura (2) B.W. Bacheler, Esq., Binny & Co., Madras and 3) Sri R.Venkataswami Nayudu, President, the Southern India Mill Owners' Association, Coimbatore.

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Sub: TEXTILES - Yarn - De control.
Ref: My letter No.14342-MII/48.3 dated 3rd March 1948.

As already intimated to you the Government of Madras have taken up with the Government of India the question of abondoning the All India Yarn Distribution Scheme and have susggested that the same procedure has been adopted in the case of mill cloth should be approved for yarn also. The Government of Madras have also decided to lift immediately the control over internal distribution of yarn and to abolish the system of licensing of dealsrs in this Province. After the 16th March 1948, the date of repeal of the Madras Order, there will be no restriction on the movement of yarn within the Province. The "B" and "C" Class dealers will be automatically abolished. The "A" class quota holders are creations under the Government of India Control Order and annot be interfered with by the Provincial Government as things stand at present. But the Government of India have been told that this class of dealers also should be immediately abolished so that the mills will be left free to arrange distribution and to shoulder respansibility for fair distribution under a Gentleman's Agreement.

As will be seen from the above the Government of Madras have proceeded on the assurance of complete co-operation from the South Indian Mills. I am, therefore, to request you personally to use your good offices to ensure that there is no maldistribution under the new system. Some confusion is likely to be caused in districts where till now only consignee ("B" licensees) were receiving yarn from the mills. Government would be grateful if your mills/your member mills, would make special arrangments in advance for seeing that sufficient yarn reaches these districts and for the appointment of an agent who may receive and distribute yarn in these districts fairly and promptly.

I am to request that the action taken in the matter may kindly be intimated to the Government in due course.

/True copy/

Office Assistant,
Madras Record Office, Egmore, Madras.

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